

Received & Inspected

SEP 21 2009
FCC Mail Room

September 9, 2009

Marlene H Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12 Street SW
Washington, DC 20554

RE: APPEAL to Notification of Commitment Adjustment Letter- Dated July 24, 2009

CC Docket No:02-6

Contact Information:

Denise Babcock
2015 Swan Drive
Camanche, IA 52730

Tel: 563-212-1174
Fax: 563-259-1231
Email: babcock@mchsi.com

Billed Entity Information:

Billed Entity Name: Hope Lutheran School, Inc.
Billed Entity Number: 16034009
Form 471 Application Number 575549
FRN Numbers: 1591403
FCC Registration Number: 15051477

Dear Ms. Dortch,

I am writing to appeal the decision in the Notification of Commitment Adjustment Letter (Exhibit A) that was received on July 24, 2009. The decision is to rescind on approved funding for FRN 1591403 (\$27,000) because the contract with the vendor was signed by the school employee exactly **one day** too soon, even though the second signature was signed on 2/7/07. We feel that we carefully followed all the rules allowing all vendors that submitted bids a fair chance at our business and engaged in competitive selection to find the vendor that suited our needs the best. In fact all vendor bids for this service came in within 10 days of the 470, so we had ample time to choose the best vendor for us, without denying any other vendor. There were no bids that came in after the signature day of January 30, 2007.

Despite our trying to be fair, what happened here with the contract signature (Exhibit B) and early date is a large misunderstanding on our part. It was understood by the person filing the E-rate forms that the relevant signature and date on the contract was that of the vendor. The employee signed the contract and held on to it until 2/6/07 on which date he then forwarded the contract to the vendor for signature. This in his mind was the contract award date. This is also the original "contract award date" that he entered on the 471 Application, later to be changed by the USAC reviewer. The contract was actually signed by the vendor on 2/7/07 (using this date) and

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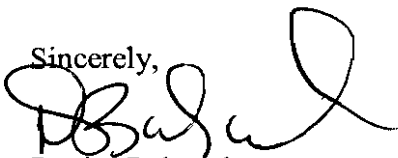
returned to the person filing the paperwork also on this date. Therefore the contract in question was not even binding until both signatures were on it on 2/7/07. Also, these contract dates were reviewed and questioned during the application review, and even with the above information USAC approved the application and changed the contract award date from 2/6/07 to 2/7/07. Please see the attached Funding Decision Letter to confirm the change and notation by USAC (Exhibit C).

Again I feel that this is a large misunderstanding due to a person's inexperience with the program and being anxious about getting the form filed in a timely manner. However we are really confused as to why this was approved, because technology purchases were made based on the approval. Had this application been denied after the review when all this information was presented, the school would not have gone forth with the Maintenance Contract. We went forward with the contract with the understanding that 90% of the bill would be covered. As it stands if this Adjusted Decision is allowed to stand, the school will need to repay \$27,000, that we desperately need and do not have. We would not have spent this money had we know this outcome.

I am asking that you please reconsider your decision to rescind your funding and let us keep the funds. E-rate is a wonderful program that has helped us improve our technology that has been very limited in the past. This maintenance contract in question enabled our network to keep running very efficiently over the last couple years improving education. We keep learning about E-rate and its "rules" and do our best to follow, but it continues to be a learning process. We have learned from this and will be very careful with contract dates in the future.

Thank you for your consideration of this matter.

Sincerely,



Denise Babcock



Universal Service Administrative Company

Exhibit A (4 pages)

Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2007: July 1, 2007 - June 30, 2008

July 24, 2009

Andrea Smith

HOPE LUTHERAN SCHOOL, INC.

N16W24132 PRAIRIE COURT STE 220

WAUKESHA, WI 53188

Re: Form 471 Application Number: 575549
Funding Year: 2007
Applicant's Form Identifier: 471 0708 B
Billed Entity Number: 16034009
FCC Registration Number: 0015051477
SPIN: 143029400
Service Provider Name: Innovative Dynamic Networks Inc.
Service Provider Contact Person: Angel Ramos-Ortiz

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

**Funding Commitment Adjustment Report for
Form 471 Application Number: 575549**

Funding Request Number: 1591403
Services Ordered: INTERNAL CONNECTIONS MNT
SPIN: 143029400
Service Provider Name: Innovative Dynamic Networks Inc.
Contract Number: Project 2007-BTS
Billing Account Number:
Site Identifier: 16034009
Original Funding Commitment: \$27,000.00
Commitment Adjustment Amount: \$27,000.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$27,000.00
Funds to be Recovered from Applicant: \$27,000.00
Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review it was determined that the applicant signed a contract with the service provider prior to the expiration of 28-day posting period. FCC rules require that except under limited circumstances, all Forms 470 received be posted on the USAC web site for 28 days, and that applicants carefully consider all bids received before selecting a service provider, entering into an agreement or signing a contract, and signing and submitting a Form 471. In the Receipt Notification Letter, USAC notified the applicant that the earliest date upon which they could sign a contract or enter into an agreement (Allowable Contract Date) was January 31, 2007. Based on the documentation provided, copies of contracts, it appears that the service provider was selected on January 30, 2007. Since the service provider was selected prior to the required 28-day posting period, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

Exhibit B (1 page)

INTERNAL CONNECTIONS - USER TECHNICAL SUPPORT Project 2007-UTS:
User Technical Support for desktop computers, notebooks, printers & users
THIS CONTRACT IS NOT SLD FUNDED

Contract Runs July 1, 2007 through June 30, 2008, with possible annual renewals not to exceed 5 years total at an increase not to exceed 5% annually, subject to funding and vendor performance.

User Technical Support contractor shall perform the following services on equipment located as described in project 2007-BTS, above.

Maintain hardware & software for desktop computers, notebooks & printers to provide functionality with MS Office applications and educational software as used by the Hope Schools. Install printers and printer/copiers as required for 14 user groups, Administrator, Administrative Staff (Staff), School Office users (Office), Teachers, Students grouped by graduation year.

Service Level Agreement Requirements:

The Hope schools function on an 7:30 AM to 5:00 PM schedule Monday through Thursday, Friday 7:30 to 12:00, plus Saturdays during the school year.

Technical support provider to provide the following maximum response times:

During scheduled school sessions on a 6x12 schedule:

On site support - a maximum of 4 hour on site response time.

Phone support - a maximum of 2 hour response time

During non-school time periods:

On site support - a maximum of 12 hour response time.

Phone support - a maximum of 4 hour response time

Lack of Timely Performance Penalty:

Successful Bidder will be subject to penalty for any month in which performance is not in a timely manner as defined by Service Level Agreement response time requirements according to the following table:

Failure to perform in a timely manner 1 time in a calendar month 5%

Failure to perform in a timely manner 2 times in a calendar month 10%

Failure to perform in a timely manner 3 times in a calendar month 20%

The charge for this service shall be \$750 per month billed monthly.

Either party has the right to terminate this contract without penalty for any reason upon 60 days notice.

In addition to the monthly charge, Level Platforms Inc. monitoring software is used to remotely monitor the systems. There will be a charge of \$1000 annually for each of the 3 schools (total annual cost \$3000) to be paid at the inception of the support contract for the use of this software. This charge is non cancellable after the 1st day of July of the contract year.

For Innovative Dynamic Networks INC.:

Signed [Signature] Date: 4/17/08

For Hope Lutheran School, Inc.

Signed [Signature] Date: 4/17/08



Maintenance of Internal
Connection

Exhibit C (3 pages)

Schools and Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2008: 07/01/2008 - 06/30/2009)

October 7, 2008

Trevor Burbach
HOPE LUTHERAN SCHOOL, INC.
N16W24132 PRAIRIE COURT STE 220
WAUKESHA, WI 53188

Re: Form 471 Application Number: 632732
Billed Entity Number (BEN): 16034009
Billed Entity FCC RN: 0015051477
Applicant's Form Identifier: HLS-SUPP

Thank you for your Funding Year 2008 application for Universal Service Support and for any assistance you provided throughout our review. The current status of the funding request(s) in the Form 471 application cited above and featured in the Funding Commitment Report(s) (Report) at the end of this letter is as follows.

- The amount, \$28,350.00 is "Approved."

Please refer to the Report following this letter for specific funding request decisions and explanations. The Universal Service Administrative Company (USAC) is also sending this information to your service provider(s) so preparations can begin for implementing your approved discount(s) after you file FCC Form 486, Receipt of Service Confirmation Form. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA requirements
- File Form 486
- Invoice USAC using the Form 474 (service provider) or Form 472 (Billed Entity applicant) - as products and services are being delivered and billed

TO APPEAL THIS DECISION:

You have the option of filing an appeal with the SLD or directly with the Federal Communications Commission (FCC).

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,
 - Applicant BEN and Service Provider Identification Number (SPIN),
 - Form 471 Application Number 632732 as assigned by USAC,
 - "Funding Commitment Decision Letter for Funding Year 2008," AND
 - The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to USAC by email, email your appeal to appeals@sl.universalservice.org. USAC will automatically reply to incoming emails to confirm receipt.

To submit your appeal to USAC by fax, fax your appeal to (973) 599-6542.

To submit your appeal to USAC on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-5 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Program. Applicants who have received funding commitments continue to be subject to audits and other reviews that USAC and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. USAC may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by USAC, the applicant, or the service provider. USAC, and other appropriate authorities (including but not limited to the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

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FUNDING COMMITMENT REPORT
Billed Entity Name: HOPE LUTHERAN SCHOOL, INC.
BEN: 16034009
Funding Year: 2008

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 632732
Funding Request Number: 1748946
Funding Status: Funded
Category of Service: Basic Maintenance of Internal Connection
Form 470 Application Number: 598190000613680
SPIN: 143029400
Service Provider Name: Innovative Dynamic Networks Inc.
Contract Number: N/A
Billing Account Number: 262-542-9384
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2008
Service End Date: N/A
Contract Award Date: 02/07/2007
Contract Expiration Date: 06/30/2011
Shared Worksheet Number: 1015593
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$31,500.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$31,500.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$28,350.00 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: MRI: The Contract Award Date was changed from 02/06/2006 to 02/07/2007 to agree with the applicant documentation.

\$2625

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FCDL Date: 10/07/2008

Wave Number: 026

USAC Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2009

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Angel Ramos-Ortiz
Innovative Dynamic Networks Inc.